

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR



ANITA LOCKWOOD
CABINET SECRETARY

November 15, 1994

Mr. Juan Valasquez
United Nuclear Corporation
6501 America's Parkway N.E., Suite 1040
Albuquerque, NM 87110

**Re: Status of United Nuclear Sites Discussed in October 19, 1994
letter**

Dear Mr. Velasquez:

Thank you for your letter of October 19, 1994. I will try to address the issues raised in the same order as in your letter.

Inactive, Abandoned Sites

We do not believe your analysis is correct in stating that mines that were inactive prior to the enactment of the law, but within the time frame to be classified as an existing mine, are excluded from the Mining Act. If that analysis were correct then there would have been no need to include the section on prior reclamation.

Mac #1 and Section 31 Mines

As you indicated in your letter and a letter sent to us from Homestake Mining Company, dated October 24, 1994, the Mac 1 site is exempt from the Act. Apparently, it does not meet the definition of an "existing mining operation", because it did not produce a marketable product, for a period of two years within the given time frame. As you indicated in your letter, the Section 31 mine is covered by Santa Fe Pacific Gold with a request for prior reclamation. MMD will be evaluating this request to ensure that it covers the entire mining disturbance.

Anne Lee, John Bill and Sandstone Mines

Because United Nuclear, Inc. has addressed the Anne Lee, John Bill and the Sandstone mines under prior reclamation requests, these sites will be evaluated for prior reclamation. Since you have submitted a prior reclamation request, we will evaluate it on that basis and not, at this time, address your question concerning an exemption from the Act, based on the fact that a federal agency (DOE) is currently involved in reclamation of the site.

VILLAGRA BUILDING - 408 Gallateo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900
Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Old Church Rock Mine

HRI submitted a prior reclamation request for this site. MMD will be evaluating their request to ensure that it covers the entire mining disturbance.

Northeast Church Rock, Section 27, and St. Anthony

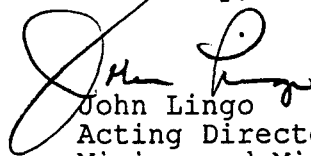
Before making any determination on the Northeast Church Rock site, we would like to know if Section 35 and Section 3, of the site, have been reclaimed along with Section 34. You mentioned that the surface is owned by the United States in trust for the Navajo Nation and that the mineral estate is owned by Santa Fe Pacific Gold Corporation. Since, the mineral estate is not controlled by the Navajos, it may be necessary for UNC to address this site via permitting and reclamation.

As I mentioned above we do not believe your analysis is correct in designating mine sites abandoned, that became inactive and are no longer intended to be used, during the time frame designated by the definition of an "existing mining operation." Therefore, the Section 27 Mine and the Anthony Mine must now be permitted. Prior reclamation would not be an option, at this time.

Because it is our interpretation that the Northeast Church Rock Mine, Section 27, and the Anthony Mines, fall under the requirements specified in the New Mexico Mining Act, you will be required to permit all three. The permit deadline is December 31, 1994.

Please contact me directly or Holland Shepherd of my staff, if you have further questions.

Sincerely,



John Lingo
Acting Director
Mining and Minerals Division